

PUBLIC DISCLOSURE

March 9, 2009

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**Mayflower Co-operative Bank
CERT # 26553**

**30 SOUTH MAIN STREET
MIDDLEBORO, MA 02346**

**Division of Banks
One South Station
Boston, MA 02110**

**Federal Deposit Insurance Corporation
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Braintree, MA 02184**

NOTE:	This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the Division of Banks or the Federal Deposit Insurance Corporation concerning the safety and soundness of this financial institution.
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GENERAL INFORMATION

The Community Reinvestment Act ("CRA") requires the Massachusetts Division of Banks ("Division") and the Federal Deposit Insurance Corporation ("FDIC") to use their authority when examining financial institutions subject to their supervision, to assess the institution's record of meeting the needs of its entire assessment area, including low and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the agencies must prepare a written evaluation of the institution's record of meeting the credit needs of its assessment area.

This document is an evaluation of the CRA performance of **Mayflower Co-operative Bank (or the "Bank")**, prepared by the Division and the FDIC, the institution's supervisory agencies as of **March 9, 2009**. The agencies evaluate performance in the assessment area(s), as they are defined by the institution, rather than individual branches. This assessment area evaluation may include the visits to some, but not necessarily all of the institution's branches. The Division rates the CRA performance of an institution consistent with the provisions set forth in Massachusetts Regulation 209 CMR 46.00. The FDIC rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 345 of the FDIC's Rules and Regulations.

INSTITUTION'S CRA RATING: This institution is rated "Outstanding."

The institution is rated "**Outstanding**" by the Division and by the FDIC. An institution in this group has an outstanding record of helping to meet the credit needs of its assessment area, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

Loan-to-Deposit ("LTD"): Mayflower Co-operative Bank's average net loan-to-deposit ratio of 66.6 percent is reasonable given the institution's size, financial condition, and assessment area credit needs.

Assessment Area Concentration: A substantial majority of the Bank's home mortgage loans and small business loans were made within the assessment area. During the evaluation period, the Bank originated 91.3 percent of its residential loans and 94.3 percent of its small business loans inside the assessment area.

Geographic Distribution: The Bank's distribution of loans reflects excellent dispersion throughout the assessment area.

Lending To Borrowers of Different Incomes and Businesses of Different Sizes: The distribution of borrowers reflects, given the demographics of the assessment area, reasonable penetration among individuals of different income levels (including lending to low- and moderate-income) and businesses of different sizes.

Response to CRA Complaints: As the Bank did not receive any CRA-related consumer complaints during the evaluation period, this criterion is not applicable.

Investments and Services: The Bank's qualified investment record and record of providing branches, ATMs, and other services and delivery systems have enhanced credit availability in its assessment area.

SCOPE OF THE EXAMINATION

Small Bank CRA examination procedures were used to evaluate the Mayflower Co-operative Bank's CRA performance. The Bank's performance was assessed jointly by the Division and the FDIC. The Bank's CRA performance was evaluated pursuant to the following criteria: Loan-to-deposit (LTD) ratio, assessment area concentration, the geographic distribution of loans, lending to borrowers of different income levels and business of different sizes, and response to CRA complaints. The CRA evaluation considered activity since the Bank's prior FDIC CRA evaluation of February 9, 2004 through March 9, 2009. The applicable timeframes for the evaluation are described in the paragraphs that follow.

The Bank is primarily a residential lender based on discussions with management and a review of the Bank's balance sheet. Consequently, residential loan data was analyzed and received the greatest weight in the overall CRA rating. To a lesser extent, the Bank originates small business loans. As such, small business lending was also analyzed. Consumer and farm loans were not analyzed as part of this evaluation as these loans do not constitute a substantial portion of the Bank's loan portfolio.

The analysis of the Bank's residential loans included data from 2007 and 2008. The residential loan data was obtained from the Loan Application Registers ("LAR") maintained by the Bank pursuant to the Home Mortgage Disclosure Act ("HMDA"). The LARs contain data about home purchase and home improvement loans, including refinancings, on one- to four-family and multifamily (five or more units) properties. Home mortgage lending for 2007 is presented in the Geographic Distribution and Lending to Borrowers of Different Incomes and Businesses of Different Sizes tables. The Bank's lending performance in 2007 is focused on as this is the most recent year for which aggregate HMDA lending data is available (aggregate lending data). The aggregate lending data is used for comparison purposes within the evaluation and is a measure of loan demand. It includes lending information from all HMDA reporting lenders that originated loans in the Bank's assessment area. Home mortgage lending data for 2008 is referenced in the narrative to illustrate trends in the Bank's lending data.

The analysis of small business loans included data from 2007 and 2008. Information concerning the Bank's small business lending was derived from internal Bank loan reports. Small business loans for purposes of this evaluation include commercial real estate loans and commercial and industrial loans with original balances of \$1 million or less. Small business lending data for 2008 is presented in the Geographic Distribution and Lending to Borrowers of Different Incomes and Businesses of Different Sizes tables. The Bank's 2008 small business lending performance is focused on as this is the most recent demographic data available for comparison purposes. As a small bank, small business loans are not required to be reported by the Bank. As such, comparing the Bank's small business lending activity to small business aggregate data would not be appropriate, as the aggregate lenders are much larger institutions required to report small business data. Instead, the Bank's small business lending performance is compared to pertinent demographic information. The Bank's small business lending performance during 2007 is referenced in the narrative to illustrate trends in the Bank's lending data.

PERFORMANCE CONTEXT

DESCRIPTION OF INSTITUTION

Mayflower Co-operative Bank is a state-chartered, investor-owned co-operative bank organized in 1889. In 2007, the Bank completed its reorganization from a publicly-traded bank to a wholly-owned subsidiary of a new holding company, Mayflower Bancorp, Inc. The Bank has two wholly-owned subsidiaries, MFLR Securities Corporation and Mayflower Plaza, LLC. Neither of these subsidiaries offers products or services to the general public.

The Bank is headquartered at 30 South Main Street in Middleboro, Massachusetts. In addition to the main office, the Bank operates six full-service branch offices located in Bridgewater, Lakeville, Plymouth, Rochester, West Wareham, and Wareham. The Plymouth, Wareham, and West Wareham branches are located in moderate-income census tracts. The Lakeville and West Wareham branch offices are new to the branch network since the prior evaluation having opened in July 2005 and December 2006, respectively. The Bank has not closed any branch offices.

As of December 31, 2008, the Bank's assets totaled \$242.8 million with total gross loans of \$132.3 million, or 54.5 percent of total assets. The Bank's net loan-to-deposit ratio as of the same date was 63.6 percent. Total assets have increased by \$29.6 million, or 13.8 percent, to the current level since the last CRA public evaluation in 2004.

Refer to Table 1 for information regarding the composition of the loan portfolio.

Table 1		
Loan Distribution as of December 31, 2008		
Loan Type	Dollar Amount (000's)	Percent of Total Loans
Construction and Land Development	13,212	10.0
Revolving, open-end 1-4 Family Residential	18,586	14.0
1-4 Family Residential (first and junior lien)	65,416	49.5
Multi-Family (5 or more) Residential	2,937	2.2
Non-farm non-residential properties	24,607	18.6
Total Real Estate Loans	124,758	94.3
Farm Loans	1,482	1.1
Commercial and industrial loans	4,087	3.1
Consumer loans	1,909	1.4
Other	16	0.1
Total Loans	132,252	100.0
<i>SOURCE: Reports of Condition and Income (Call Reports)</i>		

As noted in Table 1, the Bank is primarily a real estate lender with 94.3 percent of the loan portfolio secured by real estate. One-to-four family residential mortgage loans represent 63.5 percent of total loans. These loans include closed-end mortgage loans (including junior liens) as well as revolving home equity lines of credit. Commercial real estate loans comprise the next largest share of the portfolio at 18.6 percent of total loans. Commercial real estate loans are typically collateralized by the properties used for the borrowers' businesses, such as small office buildings and retail facilities.

The FDIC last evaluated the Bank's CRA performance on February 9, 2004, and assigned a rating of "Satisfactory." The Division last evaluated the Bank on August 5, 2002, and assigned a rating of "High Satisfactory."

There are no apparent financial or legal impediments that would limit the Bank's ability to help meet the credit needs of its assessment area. Based upon the Bank's asset size, product offerings, and branch network, its ability to meet the community's credit needs remains strong.

DESCRIPTION OF ASSESSMENT AREA

The Community Reinvestment Act requires financial institutions to define an assessment area within which its CRA performance will be evaluated. Mayflower Co-operative Bank has defined its assessment area as the following twenty towns: Bridgewater, Carver, East Bridgewater, Halifax, Kingston, Lakeville, Marion, Mattapoisett, Middleboro, Plymouth, Plympton, Rochester, Wareham, and West Bridgewater located within the Boston-Quincy Metropolitan Statistical Area ("MSA"); Acushnet, Berkley, Freetown, Raynham and Taunton located in the Providence-New Bedford-Fall River MSA; and Bourne located in the Barnstable MSA. The assessment area as currently defined meets the technical requirements of the CRA regulation since it (1) consists of one or more political subdivisions, (2) includes the geographies where the Bank has its main office, branches, and deposit-taking ATM's, as well as the surrounding geographies in which the institution originated a substantial portion of its loans, (3) consists of whole census tracts, (4) does not extend substantially beyond state borders, unless otherwise permitted, (5) does not reflect illegal discrimination, and (6) does not arbitrarily exclude low and moderate-income areas.

The assessment area is composed of 56 census tracts of which 10 are moderate-income, 38 are middle-income, 7 are upper-income, and 1 is not applicable (NA). The NA census tract is located in Bridgewater and consists of a state correctional facility. Since the NA tract has few owner-occupied properties and therefore a low level of lending opportunities, the NA tract will not be considered in the evaluation.

Refer to Table 2 for pertinent demographic information concerning the Bank's assessment area.

Table 2 Demographic Information						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (census tracts)	56	0.0	17.9	67.9	12.5	1.7
Population by Geography	306,472	0.0	14.0	70.6	14.6	0.8
Owner-Occupied Housing by Geography	85,161	0.0	11.7	72.6	15.7	0.0
Family Distribution by Income Level	80,701	16.8	18.0	25.7	39.4	0.0
Businesses by Geographies	23,393	0.0	18.7	66.4	14.8	0.1
Distribution of Low and Moderate Income Families throughout AA Geographies	28,113	0.0	21.3	68.7	10.0	0.0
Median Family Income (MFI)		61,533	Median Housing Value	163,470		
HUD Adjusted Median Family Income for 2008		73,709	Unemployment Rate	4.2%		
Households Below Poverty Level		7.0%	(2000 US Census)			
* NA category consists of geographies that have not been assigned an income classification.						
SOURCE: 2000 US Census and 2008 HUD updated MFI						

Based on 2000 Census data, the assessment area has a total population of 306,472 and a total of 122,598 housing units. Of the total housing units, 85,161 or 69.5 percent are owner-occupied, 26,191 or 21.4 percent are rental-occupied, and 9.2 percent are vacant units.

There are 111,461 households in the assessment area with a median household income of \$53,002 according to the 2000 Census. Over 37 percent of the assessment area households are classified as low- and moderate-income. In addition, 7,781 or 7.0 percent of total number of households in the assessment area are living below the poverty level.

The median housing value for the assessment area was \$163,470 according to the 2000 U.S. Census. Recent figures from the Warren Group, publishers of Banker's and Tradesman, show that the area's median home sales price for 2008 was \$292,600 and ranged from a low of \$215,000 in Wareham to a high of \$437,000 in Marion. Most of the communities have seen yearly median price declines since 2006, which can be attributed to the soft housing market brought on by the sub-prime mortgage crisis.

Mortgage market share information obtained from CRA Wiz based on 2007 aggregate lender performance indicates that among 405 lenders in the assessment area, the Bank ranked 41st capturing 0.5 percent of the market share in total loans originated or purchased within its assessment area. Countrywide Home Loans ranked first in market share with 10.9 percent followed by Countrywide Bank, FSB with 8.5 percent.

Numerous businesses operate throughout area, with the highest concentration being in the middle-income census tracts. According to 2008 Business Geodemographic Data, the area has 23,393 non-farm businesses in operation, 64.2 percent of which are known to have gross annual revenues under \$1 million. The highest proportion of these business establishments are engaged in the services and in retail trade industries. In terms of employees, approximately 58.5 percent of the area's businesses employ four or fewer people.

A community contact was conducted with the Executive Director at a local area Community Development Corporation (CDC). The contact noted that banks have tightened their lending practices due to the current economic crisis and that the opportunity to lend is very selective.

Based on discussions with management, a review of the area's demographics, and the insights gained from the community contact, it was determined that the assessment area has no one primary credit need. The area's residents need a variety of consumer loan products to meet personal needs and an array of home financing programs for the purchase, construction, or refinance of a residence. The area's business base also requires numerous commercial credit options to meet a wide variety of financing purposes.

PERFORMANCE CRITERIA

Loan-to-Deposit Ratio

This performance criterion determines what percentage of the Bank's deposit base is reinvested in the form of loans and evaluates its appropriateness. The Bank's average net LTD ratio is reasonable given the institution's size, financial condition, and assessment area credit needs.

The average net LTD ratio for Mayflower Co-operative Bank is 66.6 percent. This ratio is based on loans and leases (net of unearned income and the allowance for loan loss) as a percentage of total deposits. The ratio was calculated from information contained in the Reports of Condition and Income for the previous 20 quarters since the previous FDIC CRA examination. The net LTD ratio for this period has fluctuated slightly from a low of 61.5 percent (March 31, 2008) to a high of 70.6 percent (June 30, 2006). During this timeframe, deposits have increased 17.9 percent, net loans have increased 13.2 percent, and assets have increased 13.8 percent. The Bank's current LTD ratio (as of December 31, 2008) is 63.6 percent based on total deposits of \$205.7 million and net loans of \$130.9 million.

The Bank's average net LTD ratio was compared to the LTD ratios of four similarly situated community banks located in Southeastern Massachusetts, ranging in size from \$191.3 million in assets (South Shore Cooperative Bank) to \$357.8 million in assets (Randolph Savings Bank) as of December 31, 2008. The average LTD ratios ranged from 66.6 percent (Mayflower Cooperative Bank) to 128.0 percent (South Shore Cooperative Bank.) Please refer to the following table for more information.

Table 3		
Average Net Loan to Deposit Ratios		
Institution	Average Net LTD Ratio	Assets as of December 31, 2008 \$ (000s)
<i>Mayflower Co-operative Bank</i>	66.6	242,771
Randolph Savings Bank	72.1	357,839
Mechanics Co-operative Bank	77.2	312,141
South Coastal Bank	101.9	259,278
South Shore Cooperative Bank	128.0	191,269
<i>SOURCE: Reports of Condition and Income</i>		

Not reflected in the Bank's LTD ratio is the significant volume of loans sold to the Federal National Mortgage Association (Fannie Mae). During the evaluation period, the Bank sold 373 loans totaling approximately \$70.4 million. Selling loans not only permits Mayflower Co-operative Bank to better manage its interest rate risk, but also allows the Bank to originate a larger volume of loans than would otherwise be possible.

Assessment Area Concentration

This performance criterion measures the institution's record of lending within its assessment area. A substantial majority of the Bank's residential real estate and small business loans were made within the assessment area. Refer to Table 4 below for the distribution of loans inside and outside of the assessment area.

Table 4 Distribution of Loans Inside and Outside of the Assessment Area										
Loan Category or Type	Number of Loans					Dollar Volume (000s)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Residential 2007										
Purchase	22	91.7	2	8.3	24	5,113	93.7	342	6.3	5,455
Home Improvement	10	100.0	0	0.0	10	512	100.0	0	0.0	512
Refinance	62	93.9	4	6.1	66	9,531	92.3	793	7.7	10,324
Total	94	94.0	6	6.0	100	15,156	93.0	1,135	7.0	16,291
Residential 2008										
Purchase	45	84.9	8	15.1	53	10,107	82.0	2,217	18.0	12,324
Home Improvement	10	90.9	1	9.1	11	384	64.6	210	35.4	594
Refinance	62	92.5	5	7.5	67	10,893	90.9	1,090	9.1	11,983
Total	117	89.3	14	10.7	131	21,384	85.9	3,517	14.1	24,901
Total Residential	211	91.3	20	8.7	231	36,540	88.7	4,652	11.3	41,192
Small Business – 2007	28	100.0	0	0.0	28	819	100.0	0	0.0	819
Small Business – 2008	38	90.5	4	9.5	42	4,136	85.1	723	14.9	4,859
Total Small Business	66	94.3	4	5.7	70	4,955	87.3	723	12.7	5,678
Total Loans	277	92.0	8	8.0	301	41,495	88.5	5,375	11.5	46,870

SOURCE: Bank HMDA LARs for 2007 and 2008 and Bank Small Business Data for 2007 and 2008

As illustrated in Table 4, 91.3 percent of all residential loan originations by number and 88.7 percent of originations by dollar volume were made in the Bank's assessment area. In addition, 94.3 percent of its small business lending by number and 87.3 percent by dollar volume were also inside the Bank's assessment area.

Geographic Distribution

The geographic distribution of loans was reviewed to assess how well the Bank is addressing the credit needs throughout the assessment area's low, moderate, middle, and upper-income areas. The Bank's geographic distribution of loans reflects excellent dispersion throughout the assessment area.

Residential Loans

The Bank's distribution of residential loans among the different income census tract levels is depicted in Table 5.

Table 5 Distribution of HMDA Loans by Census Tract Income (2007)									
Loan Category	# of Bank Loans	Percent of Bank Loans				Percent of Aggregate Lending			
		Low	Moderate	Middle	Upper	Low	Moderate	Middle	Upper
Home Purchase	22	0.0	13.6	77.3	9.1	0.0	12.8	73.0	14.2
Refinance	62	0.0	27.4	61.3	11.3	0.0	12.1	73.1	14.8
Home Improvement	10	0.0	20.0	70.0	10.0	0.0	11.5	72.2	16.3
Total	94	0.0	23.4	66.0	10.6	0.0	12.3	73.0	14.7
Demographics	#	Distribution of Housing Units							
		Low	Moderate	Middle	Upper				
Owner Occupied Units	85,161	0.0	11.7	72.6	15.7				

SOURCE: 2007 HMDA LAR, 2007 Aggregate Data, and 2000 Census Data

As reflected in the above table, the largest share of the Bank's residential loans was originated in the middle-income census tracts. This is not unexpected given that 72.6 percent of the area's owner-occupied housing units are in the middle-income census tracts. The next largest share of total loans originated in the moderate-income census tracts. In fact, of the 94 loans originated in 2007, 23.4 percent of the total loans were in originated in the moderate-income census tracts. This percentage far exceeds the aggregate lenders' performance which originated 12.3 percent of its residential loans in the moderate-income census tracts and the percentage of owner-occupied housing units within the moderate-income census tracts at 11.7 percent.

By loan product, the Bank far exceeds the aggregate lenders' performance in the refinance and home improvement loan categories within the moderate-income census tracts. The Bank's strong loan penetration in the moderate-income census tracts is attributed, in part, to the fact that the Bank maintains three of its branches in the moderate-income census tracts. The remaining home loans were originated in upper-income census tracts.

While there is no 2008 aggregate data available for comparison purposes, the Bank has continued its strong performance in lending within the moderate-income census tracts. In 2008, 20.5 percent of the Bank's residential loans were originated in the assessment area's moderate-income census tracts.

Small Business Loans

Depicted in the following table is the geographic distribution of small business loans within the Bank's assessment area by census tract income level. Demographic information is included for comparison purposes.

Table 6					
Distribution of Small Business Loans by Census Tract Income (2008)					
Census Tract Income Level	Bank Loans				Businesses
	#	%	\$ (000's)	%	%
Low	0	0.0	0	0.0	0.0
Moderate	6	15.8	175	4.2	18.7
Middle	25	65.8	2,767	66.9	66.5
Upper	7	18.4	1,194	28.9	14.8
Total	38	100.0	4,136	100.0	100.0
<i>SOURCE: 2008 Bank Small Business Data and 2008 Business Geodemographic Data</i>					

As noted in Table 6, during 2008, the largest percentage of small business loans were originated in the middle-income census tracts. This is not unexpected as the majority of the businesses are located in those tracts. The remaining volume was nearly evenly split in the moderate- and middle-income census tracts. Overall, the distribution of small business loans was consistent with the area's business demographics.

The distribution in 2008 differed from that of 2007. Specifically, the distribution of small business loans has shown a greater shift away the moderate-income census tracts. In 2007, 57.1 percent of the Bank's small business lending was made in the moderate-income tracts. According to Bank management, there was an increase of lending that year within the moderate-income census tracts with the opening of the Wareham branch office in a moderate-income census tract. As seen in the table above, in 2008, the small business lending in the moderate-income census tracts dropped to 15.8 percent.

Lending to Borrowers of Different Incomes and Businesses of Different Sizes

The distribution of loans by borrower income levels and businesses' gross annual revenues were reviewed to determine the extent to which the Bank is addressing the credit needs of the area's residents and small businesses. Overall, the Bank's lending to borrowers of different incomes and businesses of different sizes reflects reasonable penetration of loans among borrowers of different incomes and businesses of different revenue sizes.

Residential Loans

The following table details the Bank's residential mortgage lending activity for 2007 categorized by borrower income level.

Table 7 Distribution of HMDA Loans by Borrower Income (2007) (Excludes loans with unknown income)									
Loan Category	# of Bank Loans	Percent of Bank Loans				Percent of Aggregate Lending			
		Low	Moderate	Middle	Upper	Low	Moderate	Middle	Upper
Home Purchase	21	0.0	23.8	38.1	38.1	4.0	18.1	32.2	45.7
Refinance	62	8.1	32.3	29.0	30.7	5.0	19.0	32.4	43.6
Home Improvement	9	0.0	11.1	55.6	33.3	7.3	17.5	30.0	45.3
Total	92	5.4	28.3	33.7	32.6	4.9	18.5	32.1	44.5
Demographics	#	Distribution of Families							
		Low	Moderate	Middle	Upper				
Families	80,701	16.8	18.0	25.7	39.4				

SOURCE: 2007 HMDA LAR, 2007 Aggregate Data, and 2000 Census Data

As Table 7 shows, middle-income borrowers accounted for the highest single share of total loans followed closely by the upper-income borrowers. The strong percentage of lending to the middle- and upper-income borrowers is consistent with the area's demographics. Moderate-income borrowers accounted for the next largest share of loans. Notable is the fact that the percentage of lending to moderate-income borrowers exceeded the percentage of moderate-income families in the area. Moderate-income borrowers were represented in each of the loan categories, with a particularly strong showing in the refinance loan category. Low-income borrowers accounted for a modest share of the Bank's total loans, all of which were in the refinance loan category. The lack of home improvement loans to low-income borrowers is attributed to the overall low number of home improvement loans made by the Bank, as it does not offer a loan product specifically for that purpose. As for home purchase loans, the lack of such loans to low-income borrowers is not unreasonable given that the area's high housing costs limit the number of low-income borrowers that could qualify for home purchase financing.

The 2007 aggregate lenders' performance was used for comparison purposes. The Bank's low-income borrower lending performance (at 5.4 percent) was consistent with the aggregate lenders' low-income borrower performance (at 4.9 percent). With respect to its moderate-income borrower lending performance, Mayflower Co-operative Bank exceeded the aggregate lenders' performance; the Bank originated 28.3 percent of its loans to these borrowers compared with the aggregate lenders' performance at 18.5 percent.

The Bank's performance for 2008 is also good. The lending to low-income borrowers increased slightly to 6.3 percent of total loans. Lending to moderate-income borrowers, however, declined to 14.7 percent of total loans.

Management cited several factors contributing to the Bank's good lending performance among low- and moderate-income borrowers. First, management believes its status as a smaller community bank is attractive to many borrowers, particularly those of low- and moderate income. Second, three of the Bank's branches are situated in moderate-income census tracts with sizeable low- and moderate-income populations. Third, the Bank feels its longstanding presence in the area, its good customer service, and its positive reputation creates a lot of repeat business and "word of mouth" referrals.

Small Business Loans

Refer to Table 8 for information concerning the small business lending by gross annual revenues.

Table 8					
Distribution of Business Loans by Revenue (2008)					
Gross Annual Revenue	Bank Loans				Businesses by Revenue
	#	%	\$ (000's)	%	%
\$1 million or less	33	86.8	3,286	79.4	64.2
Over \$1 million	5	13.2	850	20.6	4.8
Revenue not reported	0	0.0	0	0.0	31.0
Total	38	100.0	4,136	100.0	100.0
<i>SOURCE: 2008 Bank Small Business Data and 2008 Business Geodemographic Data</i>					

As shown in Table 8 above, in 2008 the Bank's percentage of lending to businesses with gross annual revenues of \$1 million or less was 86.8 percent. This is higher than the 64.2 percent of small businesses in the assessment area with revenues known to be \$1 million or less.

In 2007, the Bank's small business lending was relatively comparable with the Bank's 2008 small business lending performance, with 96.4 percent of its small business loans originated to businesses with gross annual revenues of \$1 million or less.

Mayflower Co-operative Bank's business lending has helped improve access to affordable housing for local residents. During the evaluation period, the Bank provided \$4.4 million in financing to the following two Chapter 40B¹ housing developments:

- Wareham: In August 2004, the Bank funded the development of a 36 lot subdivision in Wareham with ten homes designated as affordable housing. The Bank provided an \$800,000 development loan for road construction and an \$800,000 construction line of credit to fund the building of the houses. The project has been completed in its entirety.
- Plympton: In April 2006, the Bank funded the development of a 16 unit condominium project in Plympton with four units designated as affordable housing. The Bank provided \$1.5 million in financing for acquisition and infrastructure development costs, as well as a \$1.3 million revolving construction line of credit to build the units. While the builder completed eight of the units, including two of the affordable units, it

¹ Chapter 40B is a state statute which enables local zoning boards of appeals to approve affordable housing developments under flexible rules if at least 25 percent of the units have long term affordability.

was unable to complete the project. Notable is the fact that the Mayflower Co-operative Bank has taken the initiative to obtain the necessary approvals from the zoning board of appeals in order to go forward with the construction of the two remaining affordable units. The Bank is funding the construction costs and expects the units to be completed in May of 2009.

Investments

Mayflower Co-operative Bank's investment record enhances credit availability in its assessment area. A qualified investment for the purposes of this CRA evaluation is a lawful investment, deposit, membership share, or grant that has community development as its primary purpose.

Mayflower Co-operative Bank's qualified investments consist exclusively of grants to organizations that engage in housing and economic development or that provide education and training, youth programs, and health and human services primarily to lower income residents. During the CRA evaluation period, the Bank made donations totaling \$64,420 that qualify as community development. Benefiting organizations have included, for example, Onset Bay Association, SEED Corporation, Wareham Village Associates, and YMCA Southcoast-Wareham.

Services

Mayflower Co-operative Bank's record of providing branches, ATMs, and/or other services and delivery systems enhances credit availability in its assessment area.

Delivery systems are accessible to essentially all portions of the assessment area. The Bank's main office is located in Middleboro. The Bank maintains six additional full service branch offices with one each in Bridgewater, Lakeville, Plymouth, Rochester, Wareham, and West Wareham. The Bank opened the Lakeville and West Wareham offices since the prior FDIC CRA evaluation. The Bank did not close any branches during the evaluation period.

All offices except the Plymouth location have ATMs on-site. The Bank also operates two remote ATMs in Wareham and Plymouth.

Listed in Table 9 is the distribution of branches and ATMs by census tract location, in comparison with the percent of the population residing within each census tract and the percentage of census tracts by income level within the Bank's assessment area.

Table 9						
Distribution of Branches and ATMs						
Census Tract Income Level	Percent of Tracts	Percent of Population	Branches		ATMs	
			#	%	#	%
Moderate	17.9	14.0	3	42.9	3	37.5
Middle	67.9	70.6	3	42.9	4	50.0
Upper	12.5	14.6	1	14.2	1	12.5
N/A	1.7	0.8	0	0	0	0.0
Total	100.0	100.0	7	100.0	8	100.0
<i>SOURCE: Internal Bank records and 2000 Census Data</i>						

As shown in the table above, the moderate- and middle-income census tracts each account for three branch offices. Notable is the fact that the percentage of branch offices and ATMs in the moderate-income census tracts exceeds the percentage of moderate-income census tracts in the Bank's assessment area and the percentage of the population living in those census tracts.

Overall, the Bank's business hours and services are tailored to the convenience and needs of the assessment area. Business hours vary slightly between office locations, but are convenient and consistent with those of other local institutions. Each office has extended hours at least one afternoon a week, with Saturday hours available at all banking office locations. Each banking office offers drive-up facilities in addition to regular lobby services. Services are consistently offered at each office. The Bank offers a full range of credit and deposit services.

Alternative delivery systems are also available to help compensate for any immediate lack of access to banking facilities. Automated Teller Machine (ATM) facilities are also offered at each office location, except Plymouth. Additionally, there are two free standing ATMs located in Plymouth and Wareham. ATM cards are linked to SUM, NYCE, and Cirrus networks. The Bank's also has online banking services (www.mayflowerbank.com) and telephone banking in which customers can review account activity and transfer funds between their accounts.

Mayflower Co-operative Bank offers a variety of community development services. A community development service has community development as its primary purpose and is generally related to the provision of financial services or technical assistance. Listed below are several examples:

- Directors and officers of the Bank are involved in local community development and nonprofit organizations in various capacities. Bank personnel provide these organizations with financial and management expertise while serving as directors, officers, committee members, and volunteers. Examples of the benefiting organizations include Habitat for Humanity, SEED Corporation, the Middleborough Affordable Housing Committee, and the Onset Bay Association.
- During the evaluation period, the Bank offered three "Senior Money Matters" presentations in its assessment area. Bank representatives discussed topics such as reverse mortgages, budgeting household expenses, and financial scams that target the elderly. The Bank also sponsored and participated in four additional seminars titled "Budget and Debt Management." These seminars discussed matters relating to debt, how to curb spending, and budgeting.
- The Bank administers an Interest of Lawyers' Trust Accounts (IOLTA) program. Interest earned on the applicable accounts is turned over to the Massachusetts IOLTA Program. Proceeds are used to provide low-income people with a variety of services, including education and legal services.
- The Bank is a member of SUM[®], an alliance between many community banks that have agreed not to assess ATM surcharge fees to any of the other member banks' customers. This service is of particular benefit to low- and moderate-income consumers.

Response to CRA Complaints

The Bank did not receive any CRA-related consumer complaints since the previous FDIC CRA evaluation. As such, this performance criterion was not considered.

APPENDIX A

Fair Lending Policies and Procedures

Mayflower Co-operative Bank's fair lending performance was reviewed to determine how it relates to the guidelines established by Regulatory Bulletin 2.3-101, the Division's Community Reinvestment and Fair Lending Policy. A review of the public comment file indicated that the Bank received no complaints pertaining to the institution's CRA performance since the previous examination. In addition, a review of the Bank's residential loan application files was conducted to check for fair lending issues. There were no discriminatory practices evident in the file review.

All employees are provided with training appropriate to their job description and their responsibilities in fair lending issues. This includes information regarding both technical requirements that come into play, as well as the more substantive and subtle issues related to unintentional discrimination and quality of assistance. The Bank offers counseling, if necessary, for borrowers who need financial assistance.

The Bank's second review practice consists of a look at all applications that are slated for denial. The Board of Directors reviews all loan applications that were not recommended by the loan committee for approval. The purpose of the second review is not be to conclude if a denial is justified, but to determine if there is some way that credit can be extended.

MINORITY APPLICATION FLOW

For 2007 and 2008, the Bank received 273 HMDA reportable loan applications from within its assessment area. Of these applications, 9 or 3.3 percent were received from minority applicants, of which 7 or 77.8 percent resulted in originations. The Bank received no HMDA reportable applications from ethnic groups of Hispanic origin within its assessment area.

Refer to the table below for information on the Bank's minority application flow as well as the aggregate lenders (excluding the Bank) in the Bank's assessment area.

MINORITY APPLICATION FLOW						
RACE	Bank 2007		2007 Aggregate Data		Bank 2008	
	#	%	#	%	#	%
<i>American Indian/ Alaska Native</i>	1	0.8	48	0.2	0	0.0
<i>Asian</i>	0	0.0	124	0.4	0	0.0
<i>Black/ African American</i>	1	0.8	487	1.6	3	2.0
<i>Hawaiian/Pac Isl.</i>	0	0.0	46	0.2	0	0.0
<i>2 or more Minority</i>	0	0.0	21	0.1	0	0.0
<i>Joint Race (White/Minority)</i>	0	0.0	252	0.8	4	2.7
Total Minority	2	1.6	978	3.3	7	4.7
<i>White</i>	108	87.8	21,956	73.1	117	78.0
<i>Race Not Available</i>	13	10.6	7,101	23.6	26	17.3
Total	123	100.0	30,035	100.0	150	100.0
ETHNICITY						
<i>Hispanic or Latino</i>	0	0.0	379	1.3	0	0.0
<i>Not Hispanic or Latino</i>	110	89.4	22,274	74.2	124	82.7
<i>Joint (Hisp/Lat /Not Hisp/Lat)</i>	0	0.0	176	0.6	0	0.0
<i>Ethnicity Not Available</i>	13	10.6	7,206	24.0	26	17.3
Total	123	100.0	30,035	100.0	150	100.0

The Bank's performance was below the 2007 aggregate's performance level for minority applicants. The Bank received 1.6 percent of its applications for minorities while the aggregate was higher at 3.3 percent. The Bank did not receive any applications from Hispanics while the aggregate received 1.9 percent.

According to the 2000 Census Data, the Bank's assessment area contained a total population of 306,472 individuals of which 7.0 percent are minorities. The assessment area's minority and ethnic population is 1.7 percent Black/African American, 0.6 percent Asian, 0.2 percent American Indian, 1.8 percent Hispanic or Latino and 2.8 percent other. The Bank's minority application flow, when compared to aggregate's lending performance levels and the assessment area demographics is deemed to be adequate.

APPENDIX B

General Definitions

GEOGRAPHY TERMS

Census Tract: Small subdivisions of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. They usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Metropolitan Area (MA): One or more large population centers and adjacent communities that have a high degree of economic and social integration. Each MA must contain either a place with a minimum population of 50,000 of Census Bureau-defined urbanized area and a total MA population of at least 100,000 (75,000 in New England). An MA comprises one or more central counties and may include one or more outlying counties that have close economic and social relationships with the central county. In New England, MAs are composed of cities and towns rather than whole counties.

Metropolitan Statistical Area (MSA): One or more metropolitan areas that have economic and social ties.

Primary Metropolitan Statistical Area (PMSA): A large urbanized county or cluster of counties that demonstrate very strong internal economic and social links, in addition to close ties to other portions of the larger area. If an area qualifies as an MA and has more than one million persons, PMSAs may be defined within it.

Consolidated Metropolitan Statistical Area (CMSA): The larger area of which PMSAs are component parts.

Non-Metropolitan Area: All areas outside of metropolitan areas. The definition of non-metropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies; for example, there is generally both urban and rural territory within both metropolitan and non-metropolitan areas.

Urban Area: All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, “urban” consists of territory, persons, and housing units in: places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin) but excluding the rural portions of “extended cities”; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.

HOUSING TERMS

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family which is further classified into “male householder” (a family with a male householder and no wife present) or “female householder” (a family with a female householder and no husband present).

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

Housing Unit: Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

Owner-Occupied Units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

INCOME TERMS

Median Income: The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

Area Median Income: The median family income for the MSA, if a person or geography is located in an MSA; or the statewide non-metropolitan median family income, if a person or geography is located outside an MSA.

Family Income: Includes the income of all members of a family that are age 15 and older.

Household Income: Includes the income of the householder and all other persons that are age 15 and older in the household, whether related to the householder or not. Because many households consist of only one person, median household income is usually less than median family income.

Low-Income: Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent in the case of a geography.

Moderate-Income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 and less than 80 percent in the case of a geography.

Middle-Income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 and less than 120 percent in the case of a geography.

Upper-Income: Individual income that is more than 120 percent of the area median income, or a median family income that is more than 120 percent in the case of a geography.

HUD Adjusted Income Data: The U.S. Department of Housing and Urban Development (HUD) issues annual estimates which update median family income from the metropolitan and non-metropolitan areas. HUD starts with the most recent U.S. Census data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

OTHER TERMS

Home Mortgage Disclosure Loan Application Register (HMDA LAR): The HMDA LARs record all applications received for residential purchase, refinance, home improvement and temporary-to-permanent construction loans.

Small Business Loan: A loan included in “loans to small businesses” as defined in the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$1 million or less and are either secured by nonfarm nonresidential properties or are classified as commercial and industrial loans.

Small Farm Loan: A loan included in “loans to small farms” as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

PERFORMANCE EVALUATION DISCLOSURE GUIDE

Massachusetts General Laws Chapter 167, Section 14, as amended, and the Uniform Interagency Community Reinvestment Act (CRA) Guidelines for Disclosure of Written Evaluations, and Part 345 of the Federal Deposit Insurance Corporation's Rules and Regulations, require all financial institutions to take the following actions within 30 business days of receipt of the CRA evaluation of their institution:

- 1) Make its most current CRA performance evaluation available to the public;
- 2) At a minimum, place the evaluation in the institution's CRA public file located at the head office and at a designated office in each assessment area;
- 3) Add the following language to the institution's required CRA public notice that is posted in each depository facility:

"You may obtain the public section of our most recent CRA Performance Evaluation, which was prepared by the Massachusetts Division of Banks and the Federal Deposit Insurance Corporation, at 30 South Main Street Middleboro, MA 02346."

[Please Note: If the institution has more than one assessment area, each office (other than off-premises electronic deposit facilities) in that assessment shall also include the address of the designated office for that assessment area.]

- 4) Provide a copy of its current evaluation to the public, upon request. In connection with this, the institution is authorized to charge a fee which does not exceed the cost of reproduction and mailing (if applicable).

The format and content of the institution's evaluation, as prepared by its supervisory agencies, may not be altered or abridged in any manner. The institution is encouraged to include its response to the evaluation in its CRA public file.